App. F. IX-4

Previous References

97 298-32 (1-3)

1933. (97)

File No. 172/33

Serial Nos. 1—8

Later References

97 310-35 (1,2,3)

General and Revenue Secretariat.

Serial Nos. 8

Part B for October 1933

SUBJECT.

Issue of 4. p.c. Conversion Loan (1953-63) and reduction of the rates of interest on the deposits of the Savings Banks —

(P) 70/(E)

Ans 5/4/34

Issue of a long-term conversion [illegible]

General and Revenue Secretariat | G.D. File No. 177 of 1933

737

Serial No.

Kind reference is invited to the Final Note of the First Member of Council (now Offg. Dewan) dated 8th April 1933 submitted to His Highness. It was stated therein that the question of issuing a Long-Term Conversion Loan might be deferred for some time pending the announcement of the then contemplated Government of India Loan and further review of the conditions in the Money Market.

2. The following are the important loans since raised in the open market by other Governments (subject recovery of British Indian Income Tax).

Latter part of April 1933. (i) Government of India 3½ per cent Loan of 1947-50. Issue Price 96/- (Both Cash and Conversion)	30 Crores fully subscribed.	Yield 3.815%.
July 1933. (ii) Cochin Government 1943-53 Loan for 50 lakhs bearing interest at 5 per percent issued at par.	Over-subscribed.	Yield 5.00%
August 1933. (iii) Punjab Government 1948 Bonds (Cash and Conversion) Interest at 4 per cent. Issue price 96/-	1½ Crores over-subscribed.	Yield 4.36%

3. The easy conditions of the Money market obtaining at present appear to be propitious for the consideration of the question of conversion of our loans as also the amount of Savings Bank Fixed Deposits maturing within the next eight years.

4. I note below the position of the maturities of our debts (both funded debt and unfunded long term-deposits) as also the investments held by us which are likely to be realised within this period:-

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31

		In lakhs
Debt repayable in		
1938	5½ per cent loan	260.12
1940	6¼ per cent loan	119.35
1938-39	5½ per cent 7 Year Deposits	14 44.20
1939-40	-do-	32.83
		426.50
~~Investments maturing in about 1940:~~		
5 Year Deposits maturing in 1937-38		38.46
-do-	1936-37	2.84
(In 3 years) between 33-34 & 35-36.		44.43
		85.73
Investments maturing before 1940		
~~4 per cent 34-37~~		~~23.00~~
~~4½ per cent 1934~~		~~4.00~~
~~5 Per cent 1935~~		~~21.00~~
1939-44		93.00
1940-43		33.50
1938-40		25.50
		200.00

5. The net position discloses that there will be a demand ~~for 5~~ of more than 3 crores within the next eight years to repay the maturities on account of Funded debt and Fixed deposits which will have to be met by either floating a Conversion loan ~~or~~ or by taking a new Cash Loan.

6. The main considerations which make the present time advantageous for floating a Conversion loan are:

(i) that the exemption from levy of income tax in

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in British India which our Tax Free securities now enjoy under the reciprocal arrangement may possibly be affected when Federation comes into existence as the levy of some kind of super tax by the Provinces is contemplated.

(ii) The low rate of about 4 per cent which is at present obtaining in the Money market may not continue during the remaining period of currency of our existing loans and may not repeat itself though there is every reason to believe that till the next busy season at least, i.e., January 1934, there may not be wide fluctuations in that rate.

(iii) the possibility of flight of capital ~~demands~~ against maturing S.B.Deposits etc ~~and~~ consequential better opportunity for investment elsewhere ~~offers itself during this period~~.

7. I would therefore suggest the consideration of the question of the issue of a Conversion Loan to the extent of 5 crores (cash part including S.B.Deposits being restricted only to a total of two crores) providing for the conversion of the following securities and other liabilities maturing within the next eight years on the following terms:-

(i) The loan may be a long-term loan repayable not earlier than 25 years and not later than 30 years.

(ii) The issue price may be 99 for every Rs 100/- of bond, the bond to carry interest at 4 per cent per annum -- Income Tax Free.

(iii) Interest to be paid half yearly as in the

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-33.

case of the existing loans.

(iv) The existing loans will be accepted at the following rates:-

Funded Debt.	
5½ per cent Bonds 1938	Rs 107-0-0
6¼ per cent Loan 1940	113-8-0
6½ per cent Loan 1941-51	115-8-0
Unfunded Debt.	
5½ per cent Fixed Deposits	107-0-0
5 per cent 5 Year Deposits	~~102-0-0~~ (6 annas for every complete half year remaining)
4½ per cent Deposits	at par or less annas per half year remaining
4 per cent Deposits	at par.

The difference between the purchase price and the issue price will be paid in the shape of cash or converted to the nearest hundred of the new bonds at the option of the converters, the balance being paid in cash.

8. The yield on the Government of India 4 per cent 1960-70 Loan at the present market rate of 98 is 4.105 per cent (subject to recovery of Income tax) and it is necessary that our rates should be somewhat slightly higher. The 4 per cent Loan at Rs 99 (Tax-free) now suggested which gives an yield of 4.058 per cent cannot therefore be considered as high.

9. Of late, very heavy amounts are being deposited in the Savings Bank current account as our S.B. rules do not fix any maximum limit in the holdings of individual investors. The Post Office S.B. Rules fix a maximum of Rs 5,000/- and a maximum limit has been prescribed by some Banks also.

Serial No.

It is desirable to fix a maximum money limit (say 15000/- in our Savings Banks also. Option may be given to the depositors to invest the money now held in excess of the maximum limit to be fixed in the new loan to be offered. Such an arrangement was introduced during 1906-07, when the 4 per cent loan raised was offered to and taken up by such of the S.B. Depositors as had balances in excess of Rs 5,000/-

10. No doubt the conversion of the call money held in the savings banks into a long term loan will increase the charge against the Revenue Account on account of interest to some extent. The loss in the shape of interest will however be covered by the possibl reduction in the contribution to the Sinking Fund since 40 per cent of the investments held on account of S.B-deposits (converted) could be transferred to the Sinking Fund of the loan to be floated. If our proposals meet with complete response from the market, a recurring saving of about Rs 6 lakhs on account of interest and a reduction of the annual instalments of the Sinking Fund to th extent of about 11½ lakhs will be possible.

11. I have assumed that the capital demands for the next five or seven years will present no abnormal features and can be easily met from the current resources and without serious dislocation to normal accruals of deposits.

12. If however it is considered unnecessary to issue a loan for such a large amount converting the maturities during 1938 to 1941, a conversion loan for a small amount at least covering only the liabilities on account of th S.B. Fixed Deposits and the call money held in the S.B. Account, in excess of the prescribed maximum money limit may be raised on the "On tap basis". This loan may bea interest at 4 per cent per annum, income-tax free and

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-51.

and the issue price fixed at 99, the difference between Rs 99 and Rs 100 being repaid in cash. If at least this is done as a first instalment, it will enable us to gauge the position of the market with reference to the response that may be expected for our conversion proposal on this basis.

13. It has also to be decided as to when the loan has to be floated. We may perhaps float the loan in September 1933 or October 1933 and keep it open till the end of November 1933. Payment of interest will then have to be made on 1st December and 1st June.

14. I informally discussed the question with Mr. Shamanna and he generally agrees with the views expressed above.

25.8.33

Dewan

15. The deposit of purely floating balances in our Savings Banks should be discouraged - Our Savings Bank liabilities have largely increased and a serious attempt at funding as much as possible of the total amount now in Deposit - call and time - should be made The position is becoming favourable for Conversion operation and I think the Conversion measure suggested at A may first be taken up. The following particulars may be collected :-

16. The amounts in excess of balances of Rs 5000, Rs 10000 & Rs 15000 in Call deposit accounts :-

25/8/33

17. Forwarded with compliments to Comptroller for favour of furnishing details referred to in the Dewan's minute marked B.

26-8-33

26/8/33

1525 DE 25. AUG. 1933

U.O. No 40 dt 26-8-33

CONTROLLER'S OFFICE No 120 26 AUG 33 BANGALORE

General and Revenue Secretariat — File No. 737 / 1933 of 1933. — 7

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Number of accounts and the amount at credit of Savings Bank ~~accounts~~ having Rs 5000/- and above

No. 143/S.R. dated 29-8-33

18. Returned with compliments.

The amounts are noted below:-

	No. of accounts	Total amount
Rs 5,000 or more & less than Rs 10,000	280	16,73,215
Rs 10,000 do 15,000	97	11,47,066
Rs 15,000 & more	112	47,62,138

Comptroller

CV

19. In forwarding the proposal in the first instance with reference to the orders in minute dated 25-8-33 the sums involved are considerable.

Dewan) 30/8/33

20)

30/8/33

31.8.33

Submitted 21. Prior to the year 1906, there was no maximum limit of the amount which each individual depositor can hold in the Government Savings Bank. In 1906, Government considered that the acceptance of such heavy liabilities at call was attended with serious risk from a financial point of view and in their Notification dated 10th August 1906 issued the following rules:--

NOTE—Contn. Sheet.

(1) Without the sanction of the Comptroller, no account will be opened for less than one rupee and no person may ~~deposit~~ deposit more than Rs 2,000 in all between any 1st July and the 30th June next following. The total amount which a depositor may have at his credit at any time, exclusive of interest for the current year, should not also exceed Rs 5,000"

(2) Without the sanction of the Comptroller no higher monthly interest will be allowed upon any balance than Rs 13-0-4 being the interest upon Rs 5,000 "

(3) The limit of Rs 2,000 for a single depositor within one year may be exceeded only in the following cases:--

(i) A security deposit with a Government officer

(ii) A benevolent or quasi-public institution

(iii) A transfer from another Taluk or District (Mysore Government) Savings Bank so far as Money transferred is not on account of deposits made in the current year

In each case the reason for allowing it must be explained in the monthly statement of deposits--The limit of Rs 2000 is to be construed strictly; withdrawals must not be deducted in applying it.

22. ~~(4)~~ To prevent undue hardship to depositors and to admit of the gradual withdrawal from the Treasuries of excess over Rs 5,000, Government ordered that such excess should until further notice bear interest at two percent per annum till they are wholly withdrawn". 3½ % ordinary rate

23 Simultaneously with the issue of the above amendments to the Savings Bank rules, a notification was issued

D

Serial No.

on 15-8-1906
to the following effect:--

(1)Government will issue a four percent loan to the extent of 20 lakhs of rupees to meet expenditure on productive works. As this loan is required at a time when heavy withdrawals from the Government savings banks are anticipated, it has been decided to offer the amount of the loan only to Savings Bank depositors in repayment of the deposits

(2)Depositors who wish to exercise the above option should apply to the Comptroller on or before 15th September 1906.

(3)The Promissory Notes will bear interest from 1st October 1906 and in the Savings Bank accounts the interest on the deposits converted into the loan will be calculated up to 30th September 1906.

(4)All depositors who exercise the option before the end of August 1906 will be entitled to receive a commissio of one half per cent on the amount for which Promissory Notes may be issued to them

For further details, reference is invited to Notification dated 15th August 1906.

24. The annual and maximum money limits referred to abo were removed from 1st April 1911, as large sums of mo money were required in connection with Productive works.

25. We have now got over 190 lakhs in the current Savings Bank deposits as money at call, and from the Comptroller's note in para 18 above it will be seen that there are 209 accounts for Rs 10000 or more amounting to Rs.59 lakhs. A maximum money limit of Rs 10000 may perhaps be prescribed, instead of

E.
12 3 354-10-3

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

Rs.5,000 ~~as~~ which was prescribed in 1906, and option may be given to ~~those~~ S.B Deposit holders to invest balances in excess of Rs.10,000 in a long-term loan to be floated. // 26. After the revival of the Savings Bank five year fixed deposits at four per cent per annum from 1st July 1933, we have received about 13 lakhs towards these fixed deposits and the holders of these deposits may be given the option of ~~xxxx~~ transferring the Fixed deposits into the Long term loan referred to above.

27. The following suggestions are therefore for consideration:--

(i) Amendment of S B rules presrcibing a maximum money limit of Rs 10,000

(ii) Notifying that after a specified date (end of November or December 1933) balances in excess of Rs 10,000 will carry only a reduced rate of interest (Perhaps two per cent per annum) until they are finally withdrawn.

(iii) Notifying the issue of a Long term loan, perhaps at four per cent (free of income tax) repayable after 25 or 30 years, and offering it in the first instance only to holders of ~~xxxxxxxxxx~~ Savings Bank current deposits in excess of Rs 10000 and to the holders of the Four per cent five year fixed deposits.

(iv) Prescribing the latest date for the conversion of S B deposits and offering a suitable commission (perhaps one fourth per cent) in respect of conversions effected within a period to be specified, as an inducement.

7-9-33

H. Secy) 8/9/33.

Serial No.

28 The relaxation of the Savings Bank rules doing away with the maximum limit of Rs 5,000/- in individual holdings was sanctioned in 1911. The Government were not then committed to an active Loan Policy and it was necessary to find resources for Capital Expenditure from the accretions of such deposits. Since then, we have floated large Public Loans for Capital Finance and regular Sinking Funds have also been constituted therefor and a system of receiving the long-term Fixed Deposits is also in vogue. In view of the altered circumstances, it is desirable to fix a maximum money limit for individual holdings in the current accounts of the Savings Bank. The balance under the current account has gone up to over Rs 1½ Crores. It is desirable to reduce this call money balance as far as possible in order that there may not be sudden demands for large sums sprung upon the Treasury. At the same time, it is necessary to provide facilities for the investment of these balances with Government alone if the depositors should wish to do so.

28 In view of the above considerations and as a preliminary to the conversion of the Five-Year and Seven-Year Fixed Deposits and 5½ per cent Bonds of 1938 later so as to reduce the interest and Sinking Fund charges against our Revenue Account, I would suggest for consideration the adoption of the following procedure immediately.-

I. Amendment of the Savings Bank Rules to the following effect:-

(1) The maximum holding of call money in individual

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-33.

except with special permission of Comptroller

individual cases ~~to be limited~~ ~~to~~ not to exceed Rs 10,000/-) and future deposits regulated accordingly.

(2) Balances now in excess of Rs 10,000/- to be allowed interest only at 2 per cent per annum after 1st December 1933 till they are finally withdrawn.

II. Notifying the issue of a Long-term Loan for Rs 50 lakhs (nominal) on the terms noted below and offering the same in the first instance to the depositors of the Savings Bank Current Accounts holding a balance in excess of Rs 10,000/- and also to the holders of the new 4 per cent Five-Year Fixed Deposits accepted since 1st July 1933.

Terms:-

(a) Issue at par in scrips of Rs 100/- or multiples thereof and repayable after 25 years from 1st December 1933 and not later than 30 years.

(b) Interest at 4 per cent per annum Tax-free (payable half-yearly).

(c) The option given to the S.B. holders to be exercised before the 15th November 1933.

(d) Holders of the Savings Bank Current Account who elect to offer to the loan before the end of October 1933 to be allowed, as an incentive, a rebate of 4 annas per cent on the total value of the bonds taken up.

(e) The new Loan to bear interest from 1st December 1933 and interest at 3 $\frac{1}{8}$ and 4 per cent per annum for current and Fixed Deposits respectively to be allowed up to 1st December 1933.

2. In the present position of the Money Market the rate of interest and the terms of the Loan are not unattractive

Issue of a long term conversion loan 12

Serial No.

especially to those who have invested the money in the Savings Bank Current Account at 3 1/8% and to the holders of the 4 per cent Fixed Deposits.

30 If approved, draft amendments to the Savings Bank Rules and draft Notification re: the flotation of the Loan will be submitted for consideration in Council,

1895

DEWAN.) 9.9.33

9.9.33

31 Wanted you Kindly Show these papers to Mr Shanmuga to ascertain his views & thereafter Circulate file the Members for Consideration in Council.

11-9-33

32. Interest ~~at~~ 3 1/8% for call money of an unlimited amount in the S.B. is too high at present & it is desirable to reduce it & to convert call money into funded debt ~~This~~ I therefore support the proposal to reduce interest on existing S.B. deposits of over 10,000 Rs to 2%, to fix this amount for which interest will be taken as the maximum in the case of future deposits and to issue a long term (loan) (20 to 30 years rather than 2 yr fixed) at 4% at par without any commission for all S.B. balances & 4% Fixed deposits. This will not add to our present indebtedness and will consolidate floating debt. will Enable us to judge how the

NOTE—Contn. Sheet.

The amount need not be fixed at 50 Lakhs as the Govt automatically limited by the S.B. balances

WD 70—GBPM—60,000—13-8-31.

C.68

14

File No. 172 737/11 of 1933 — General and Revenue Secretariat

market will respond to a 4% loan
and on what terms & when our other loans
may be converted. It will be enough to
keep the present offer open only for a month.
Our 5% 1955-57 loan is now quoting in
the market at 113 which gives a yield
of less than 4%. This indicates that a 4%
loan at par will more attractive

Dharmarne
12.9.33

33. Refer Dewan's minute dated 11.9.33
I discussed the question personally with Mr Dharmarne
this morning and his views are indicated above.
If approved, the file will be sent to Chief Secretary
for circulation amongst the members of Council
for consideration in next Council.

AD
12.9.33

Dewan).

34. JM
12-9-33

35. To Chief Secretary with compliments for necessary
further action

AD
12.9.33

C.S.
AR
12/9

Personal wish ... Dharmarne ... Council ... al ... do or ... I should ...

C.S.
2 SEP. 1933

(For Disposal at a Meeting) 8 No. C.68 15

1933-4

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

(clause XII of the schedule)

Proposals to reduce the Savings Bank balances and to issue a long term loan to convert the floating into funded debt.

Circulated to the Members of Council.

By Order,

R. Ranga Rao.

13th September 1933.

Chief Secretary to Government.

2146/13/9 **First Member of Council.** 14/9/1933

1971/10/9 **Second Member of Council.** 15/9

Subject:-

Proposal to reduce the Savings Bank balances and to issue a long term loan to convert the floating into funded debt.

OPINION OF THE COUNCIL.

36. The Qn of extending the Scheme to 5½ & 5% c deposits also may be considered along with the Scheme after the budget position?

RB 15/9/33.

37. I personally discussed the question with Messrs M.N.Krishna Rao, B. Sreenivasa Iyengar and Shamanna and their views are indicated in the appended note.

38. Both Messrs Sreenivasa Iyengar and Shamanna are of opinion that the conversion of 5½ per cent Fixed Deposits and the 5½ per cent Bonds of 1938 have to be taken up together as they stand on the same footing in regard to both the rate of interest and the date of maturity and that there is no particular advantage in converting the 5½% and 5% Fixed Deposits now as we will have to pay premium also.

39. The conversion of call deposits in the Savings Bank into a funded debt at 4 per cent will no doubt increase the burden of the interest charges in the Revenue Account but this is unavoidable as it is desirable to

Serial No.

to reduce call deposits as far as possible. In fact, such a conversion practically implies that new loan is raised at 4 per cent and the old call deposits are paid back. Necessarily we will have to pay higher rates of interest for either long term deposits or loans. But as 40 per cent of the Savings Bank call deposits are invested in securities, we may transfer 40 per cent of the amount of call deposits converted from "General Investment Account" into "Loan Sinking Fund" and this will enable us to make a lesser contribution every year to the Loan Sinking Fund from the General Revenues.

40. All the three officers are of opinion that interest at 2 per cent may be allowed on balances exceeding Rs 10,000 in the Savings Bank current account.

41. Mr. Shamanna also agrees to the suggestion of Mr. M.N.Krishna Rao that we may wait for the raising of a conversion loan till we know of the intentions of the Government of India in regard to the terms of their loan likely to be floated.

42. The Government of India have since notified that the rate of interest on Postal Savings Bank be reduced from 3 per cent to 2½ per cent from 1st November 1933. The question of reduction of interest on our Savings Bank call deposits on balances up to Rs 10,000 has also to be considered. The present rate of 3 $\frac{1}{8}$ th per cent is high and we may reduce the rate to 2¾ %. This rate is proposed as all the facilities available in a Postal Savings Bank are not available in

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-33.

in our Savings Bank. This is the opinion of Mr. Shamanna also.

43 For reasons explained above, we may reduce the rate of interest on Savings Bank call deposits from 1st November 1933 as noted below:-

(1) Balances up to Rs 10,000/- 2¾ % per annum;

(2) Balances in excess of Rs 10,000/- 2 % per annum.

This suggestion if approved will have the effect of reducing the interest charges roughly ~~to~~ by about a lakh of rupees per annum.

44 The question of raising a conversion loan may be considered after some time.

21.9.33

Dewan)

21.9.33.

DEWAN'S OFFICE 2076 22 SEP. 1933

Serial No.

Notes of discussion on 17th September 1933.

Mr. B. Sreenivasa Iyengar's views.

1). Call Deposits -- The maximum money limit need not be laid down and it is sufficient if the rate of interest on balances in excess of Rs 10,000/- is reduced to 2 per cent.

2). Long-Term Loan -- Interest at 3½ per cent will be adequate.

3). The extra cost on account of conversion will be compensated by the reduction in the interest charges on call deposits.

4). Five Year Fixed Deposits -- Four per cent interest is rather high.

5). Conversion of Fixed Deposits (5 and 5½ per cent) need not be undertaken, before they mature, as otherwise some inducement will have to be offered to attract the depositors.

Mr. M. N. Krishna Rao's views.

1). We may wait till the Government of India Loan is announced or at least we know their intentions fairly well so as to decide whether a lower rate than 4 per cent will be attractive. We have all along been following the Government of India Loan Policy.

2). Deposits in future may be reduced to Rs 10,000/- and interest on old deposits reduced if feasible from a certain date. No harm if a maximum limit is introduced.

Mr. S. Shamanna's views.

1). Five and a half per cent Fixed Deposits and

NOTE—Contn. Sheet.

WD 0246 —GPB—15,000—22-8-32

and 5½ % Bonds of 1938 stand on the same footing and the conversion of both will have to be arranged for simultaneously.

2). We may convert 5% Deposits but as the dates of maturity vary, we will have to pay up the present value of the differences in interest which they would have got and there is therefore not much advantage in converting them now.

3). We need not suspend the receipt of 4% Fixed Deposits so long as we can get at least 4% in Government of India Securities by investment of surpluses and we may think of reducing the rate to 3¾% if we get too much money.

4). We have to pay interest at 4 per cent on any long-term loan as the present yield on Government of India securities is not less than this rate. There is no harm in deferring the question of conversion till the Government of India loan is announced.

5). We need not interfere with the money limit for the present but may offer a reduced rate of two per cent on balances in excess of Rs 10,000/-

6). Steps are however necessary to reduce the call deposits as far as possible and to convert them into a long-term funded debt which necessarily will have to carry a higher rate of interest. It is the same thing as ~~re~~ raising a new long-term loan and repaying the call deposits.

21.9.33

C. 407/Litt. file

Vasantha Mahal,
Mysore, 1st October 1933.

DEWAN'S OFFICE 2076 2 - OCT. 1933

1025/F.

My dear Mirza,

45. I have read your file, which I return herewith, on the proposed conversion loan and have discussed the matter with Mr.Raghavachar, and send you ~~herewith~~ the following notes on the only points that strike me.

(a) Other things being equal, I would suggest the maximum amount of conversion into one big loan, for the reason that paper of a big loan is much more readily marketable than that of several small ones.

(b) I would support the proposal for the reduction of rates on Savings Bank deposits to 2¾% for balances under Rs 10,000 and 2% for those in excess of that figure as an additional inducement to people to buy the loan.

(c) I would suggest your taking your profit on your 4½ and 5 % investments. Loans liable to early redemption have a special value to the Banks as they are almost equivalent to call money, but I take it they have no special value to the Government. For instance, you can realize Rs 104 9/16 per cent for Government of India 5% bonds 1935, though their yield, including redemption, to the purchaser is only 2.34 per cent.

(d) I think the balance of advantage is in favour of an early issue. There is a heap of cheap money about, but a big Government of India loan might draw off a lot of it.

Yours sincerely,

M. Ismail

F. Secy

46 Have you any objection to accepting the suggestion of Sir Chas Todhunter?

MI
1-10-33

47 (b) Reduction of interest rates on Call deposits

Serial No.

48 (c). Sale of investments.

I entirely concur with Sir Charles' Todhunter's views. Action will be taken for the sale of 4½% and 5% Government of India Bonds and for the reinvestment of the proceeds to the best advantage, in consultation with the Comptroller.

49 (a) and (d). There is considerable force in the suggestion that we need not wait for the floatation of the Government of India loan which may be for cash also. The only point for consideration therefore is whether we should float a Conversion Loan for the entire amount inclusive of the 5½% bonds of 1938 and of the 5½% Fixed Deposits or whether the Loan may in the first instance be thrown open only to holders of 4% Fixed Deposits and the Savings Bank Current Account. The desirability of inclusion of the 1938 Bonds has already been sufficiently discussed in the notes of discussion of Sir Charles with Mr. S. Shamanna in March 1933. Both the advantages and disadvantages of converting the bonds and deposits maturing in 1938 are all noted therein. We cannot offer more than Rs 107/- for these bonds but the present market price is Rs 109/- which is based upon the consideration that the investment is exempted from the much higher rates of income and super taxes in force in British India.

50 The success of the conversion will certainly ease the Revenue position but in view of the present relatively high market rate for the bonds, I am afraid the chances of a complete

WD 613—GPB—500—26-9-31

General & Revenue Secretariat. | 97 File No. 172 1025/32 of 1933.

Serial No.

complete success are doubtful though we lose nothing by offering conversion. This however involves a question of policy.

51 Whatever the relative advantages of the entire conversion may be, it is desirable, as already pointed out by me, that the call-money interest rates should be reduced immediately to save interest charges and at the same time the investors ~~may~~ be given an opportunity to convert Call money deposits and fixed deposits into a long-term Loan of 4 per cent at par.

52 The conversion of the call money will no doubt increase the interest charges by 7/8th per cent but this will be set off by the decrease in the interest charges as a result of the reduction of interest rates on call money.

53 Considering all aspects of the question, I would suggest that my proposals for (1) the floatation of a loan providing for the conversio of the call money deposits and the 4% Fixed - Deposits and (2) the reduction in the interest rates on call deposits to 2½% and 2 % on balance up to Rs 10,000/- and in excess thereof respectively may be sanctioned as a preliminary step .

54 The possibility of flotating a bigger loan providing for the conversion of all the 5% and 5½% Fixed Deposits and 5½% Bonds may be considered on a review of the progress achieved in the first step towards conversion.

3.10.33

Dewan)

25/10

55 Council case Chief Secy with compliments

5.10.33

DEWAN'S OFFICE 3 - OCT 1933

NOTE—Contn. Sheet.

WD 613—GPB—500—26-9-31

24

(For Disposal at a Meeting)

No. C. 89
of 1933-34

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT

(clause XII of the schedule)

Proposal to convert a Conversion Loan and to reduce the rate of interest on small deposits.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,
P. Rangadas.
Chief Secretary to Government.

6th October 1933.19

2674/6/10

First Member of Council. 6/10/33

5b The Dewan desires that the enquiry be disposed of by circn. Resd

Second Member of Council. S/or 7/10

2654/7/10

Members of Cl. RB 13/10

57 I am in agreement with the proposals in the last para of the note of 3.10.33 subject to the final decision in that para. 13/10/33

58 I also agree

OFFICE OF THE FIRST MEMBER OF COUNCIL 13 OCT. 1933 No.

2200/16/10

D2

H. Secretary to Govt. S/or 16/10 16/10

Serial No.

Sec'y D. S. N. Submitted.

If approved, Comptroller will be informed of the arrangement approved and will be addressed demi-officially & confidentially to take necessary steps from now as the time before us is very limited.

Dewan) 07.10.33

60. MJ 17-10-33

DEWAN'S OFFICE 2561 17. OCT. 1933

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

Submitted to His Highness.

61. With reference to the Final Note of the First Member dated 8th April 1933 explaining the circumstances under which the announcement of our Loan had to be deferred, I beg to state that the present conditions of the money market are very favourable for raising a Cash Loan. We are, however, not in need of a Cash Loan at present. In spite of reductions in the rates of interest on the Savings Bank Call Deposits and Fixed Deposits, large amounts are being received on these accounts in our Treasuries. With the gracious approval of His Highness, the rate of interest allowed on five year fixed deposits has been recently reduced from 4 per cent to 3¾ per cent per annum.

62. We are now allowing interest at 3 1/8 th per cent per annum on the Savings Bank Call Deposits without any limit and the liability on account of these deposits amounts to over Rs.190 lakhs. The Government of India have reduced the rate of interest on the Postal Savings Banks from 3 per cent to 2½ per cent per annum from 1st November 1933. In view of this reduction and the reductions in the rates of interest effected by the Banks in regard to such Call and Time deposits, it is proposed to reduce the rates of interest on our call deposits from 1st November 1933 as detailed below:-

(1) 2¾ per cent per annum on balances up to Rs.10,000/-.

(2) 2 per cent per annum on balances in excess of Rs.10,000/-.

63. The proposed reduction in the rates of interest on the Call Deposits may lead to withdrawals of cash from these deposits to a large extent by depositors desirous of earning higher rates of interest elsewhere. With a view to preventing any large outgoings and also to afford facilities to the depositors to hold their money in investment with Government alone, the issue of a Long term loan on the following terms, providing for the conversion

of these call deposits and the Four Per Cent Five Year Fixed Deposits is suggested.

(1) The Loan to bear interest at 4 per cent per annum (Income Tax free) and to be issued at par, interest payable half-yearly.

(2) The Loan to be repayable at the end of 30 years, Government having the option to repay the same after the expiry of 20 years on giving 3 months' previous notice in the Mysore Gazette.

(3) The Loan to be kept open for one month from 1st November 1933.

(4) Balances held at credit on 31st October 1933 in the current accounts of Savings Bank alone will be permitted to be converted and further accretions of deposits will not be accepted for purposes of conversion.

(5) Interest at 3$\frac{1}{8}$th per cent per annum and 4 per cent respectively for call deposits and 4 per cent Fixed Deposits will be paid up to 1st December 1933, the new loan bearing interest from 1st December 1933.

64. This proposal will not add to our indebtedness but will result in the consolidation of our floating debt into a long-term loan. The increase in the interest charges on account of this conversion will be set off by the decrease due to the reduction in the rates of interest on Call money in the Savings Bank Deposits.

65. The Members of Council are agreeable to the above proposals and I solicit the gracious sanction of His Highness thereto.

66. The possibility of floating a bigger loan providing for the conversion of the 5 and 5½ per cent Fixed Deposits and the 5½ per cent Bonds of 1938 will be considered later after reviewing the progress achieved in this first step towards conversion.

Mirza M. Ismail

Bangalore,
18th October 1933

D E W A N.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

57. Proposal to convert a Conversion Loan and to reduce the rate of interest on small deposits.

197

Order.

~~KRW~~
19/10/33

General and Revenue Secretariat

47 171-33

Subject:-

Proposal to convert a Conversion Loan and to reduce the rate of interest on small deposits.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Headquarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders. (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rangachar

Chief Secretary to Government.

Through the Secretary to Government,

Financial Department.

necessary action is being taken in consultation with Comptroller.

21.10.33

3153/26/10

FIRST MEMBER OF COUNCIL.

26/10/33

2479/27/10

SECOND MEMBER OF COUNCIL.

27/10

Financial Secy, with Compts.

RR 28/10/33.

28.10.33

NOTE.—Contn. sheet

Serial No.

68. The draft notification received from the Comptroll is put up for approval. I have indicated some pencil alterations-- vide paras 1 and 7.

69. Para 16 of the Notification suggests the payment of brokerage at 1/16th per cent to recognised brokers and Bankers. This is for orders. Perhaps it may be allowe in view of the fact that some of the depositors may not come to know of the terms of the loan offered etc. Some canvassing is necessary

70 In the covering letter, the Comptroller raises the question of offering the new loan to the 5 per cent F.D. holders also. When the scheme of accepting 5 years Fixe Deposits was introduced in the year 1928, it was stated that they would be given an opportunity to invest in a long-term loan that may be floated later. Accordingly, when a loan was floated in 1930 (long-term) these depositors had an opportunity to convert the deposits into the long-term loan of 1955. Our idea was to consider these conversions later after review of progress of the present Conversion. There is however no objection to accept the 5 and 4½ per cent Fixed Deposits if tendered at par for conversion. Instead of including the same in this Notification, the Comptroller may be requested to instruct the Treasuries separately to accept such deposits if tendered at par.

71. Regarding the payment of interest on new loan in British India, no specific consent ~~xxxxxxxxxxxxxxxxxx~~ of the Government of India or the Controller of currency for each loan is necessary, as under the reciprocal arrangement such payments have to be made as a matter of course. Anyhow, the Comptroller may be requested to

Flag Y

NOTE—Contn. Sheet.

to forward a copy of the Notification to the Controller of Currency for information.

72. Draft Notification reducing rates of interest on S.B. Deposits and draft D.O. to Residency are also submitted for approval.

73. Strictly speaking, for raising loans within the State we need not approach the Government of India but as it is understood that some of the Fixed Deposit holders and Savings Bank Deposit ~~holders~~ are in British India, a formal D.O. is proposed to be issued.

74. After these orders are issued, the file will be circulated to the Members of Council for perusal of His Highness' Orders.

23.10.33

Dewan)

75. M.I
23-10-33

76 The order regarding reduction of rates on call deposits has been issued.

77. Fair drafts of Notification & letter to Residency are submitted for approval as personally instructed

23.10.33

Dewan)

78. C. Secy — Letter & Notn may be issued over my Signature

24/10

Serial No.

79 The Dewan said that the POPM may issue. Pl. file it to the file 4.

80. Issue the draft letter to the Resident.

24/10/33

81. Issue notification & submit file to Chief Secretary for further action

24.10.33

Notification No.Fl 2373-81 G F 172-33-2 dated 24th October 1933--Memo No.Fl 2382--Copy to Comptroller. D.O.No.Pol 429 dated 25th October 1933 to the Secretary to the Resident.

82. Draft reply to the Comptroller submitted for approval.

25-10-33

After issue, the file will be sent to members for personal gist for Highness' orders.

26/10

Sent to Fl: Secy.

83. Issue today and pass on file to Chief Secretary for circulation to members of Council.

26.10.33

D.O. No. 3R 2408 dated 26-10-33 to the Comptroller

NOTE—Contn. Sheet.

DEWAN'S OFFICE
2706
25. OCT. 1933

No. ....

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Bangalore, dated 25-10- *1933*.

No. 967 /S. L. Encls. One

The Financial Secretary is requested to obtain the approval *of the Dewan to the accompanying documents as detailed below.*

M. Venkatesaiyengar

Comptroller.

Serial No.	Nature of document	Remarks
		84. **Press note regarding the floatation of the new 4 per cent. tax-free loan of 1953-63.** In approval AD 25.10.33 Dewan)
		85. M 25-10-33 To ~~Comptroller's Cypher~~ AD 26.10.33
		86 To Publicity officer with compliments for favour of necessary action AD 26-10-33 27.10.33
		for approval Publicity officer) MM 27/10
		87. Yes 27/10

To my y. 18, Immediate Cypher 26

Mulligraph Section with Compliments.

Issue MM 27/10

Issued 27-10-33 PS

88 A few copies of the Press Note issued from the Pub. Office are herewith put up. If approved the file may be returned to the Fin. Branch.

JSH
27/10/33.

89. Yes
MM
27/10

Financial Branch
with Compliments.)

90 Copy sent to Comptroller for information on 28-10-33

2 Fl 2460 11,
28.10.33

General and Revenue Secretariat | 42 File No. 177 of 1933.

Serial No.

D.O. Letter No. 980 S.L. dated 26th October 1933 from the Comptroller re addressing the Controller of the Currency to issue instructions to his treasuries in the matter of the payment of interest on the new State loan bonds.

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91. Kind reference is invited to page 4 of the printed collections, from which it will be seen that the Government of India agreed to permit payment of interest on Mysore Government securities in the District treasuries of British India with effect from 1st April 1915 and issued necessary instructions to the Civil Accountant General to give effect to these arrangements in communication with the Comptroller.

92. 2. In 1922, the Residency pointed out ~~to the Durbar~~ that the work entailed on British Treasuries in connection with the above arrangements was far in excess of that originally contemplated, and suggested the payment of some commission in respect of payments made at places where the Imperial Bank of India acts as a Government treasury. On a further representation from us pointing out the volume of work done in our treasuries on account of the Government of India, we were informed in July 1923 that on a reconsideration of the case, the Government of India decided that the then existing arrangements should continue and that the Government of ~~BBBBBBBBB~~ Mysore should not be asked to pay any remuneration in this connection.

93 3. When we raised a big cash and conversion loan in the year 1930, no reference was made either to the Government of India or to the Controller of the Currency for instructing the British Indian treasuries to arrange for the payment of interest on the new loan bonds, evidently for th

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31

reason that the reciprocal arrangement sanctioned with effect from 1st April 1915 continued to be in force and no separate reference was ~~considered~~ necessary in the case of each loan. The Audit office used to send advices of payment of interest to the treasuries in the usual course and payments are till now being made without any objection.

94. In the final report of the Comptroller regarding the loan operations of the year 1930, it has been pointed out that the only disability which our securities have got is that payment of interest is not permitted to be made at the Sub treasuries of British India. So far as payments in District treasuries are concerned, there appears to be no doubt at all.

95. In the year 1932, the Controller of the currency sent ~~to~~ a Memorandum to the Indian states Committee (Financial) that as regards future loans the Mysore Durbar should make its own arrangements either with the Imperial Bank of India or some other bank for their administration outside its territories, and that the services rendered by the Mysore Government could similarly be discontinued in respect of future loans of the Government of India. A copy of the above Memorandum was referred by the Secretary, Indian States Committee to us for remarks, and in our letter of 10th April 1932 he was informed that (1) the Government of Mysore would have no objection to follow any system adopted as an all India arrangement in regard to the servicing of future loans and (2) that ~~that~~ the alternative of a mutual arrangement like the one now in force between the Government of India and the Government of Mysore need not be ruled out and if such

Serial No.

an arrangement was found to be in public interests, it might be continued subject to such conditions as might be agreed upon.

96. From the above it will be seen that the arrangement sanctioned by the Government of India in 1915 is still in force and we need not therefore write to the Controller of the currency to instruct the treasuries to arrange for the payment of interest on the new state loan bonds.

97 Subd to 71 : Secy
28-10-33
28/10

98 The above notes clearly explain the origin and history of the present arrangement under which Govt of India Treasuries are paying interest on loans and all along they have been doing so without definite request to the Controller of currency each time a new loan was floated to arrange for payment of such interest. Forwarded with Compliments to Comptroller for perusal and favour of further remarks in the light of the information furnished above.

A N Raghavachar
28.10.33

Secy to Govt

99. Seen and returned with Compliments. The reciprocity established in 1915 may, it seems, be considered as continuing. The note of 1933 of the Controller of the Currency refers to "existing" and "future" loans and it is possible for him to treat our new loans as of the latter class.

NOTE—Contn. Sheet.

but altogether it appears that the change proposed is under consideration and cannot be introduced without further correspondence. Under present conditions therefore we are entitled to assume that interest will be paid on our present loan. A reference in specific terms in the circumstances, is, I agree, unnecessary.

M. Venkatesalyengar
28.10.33. Comptroller

28.10.33

No further action is called for at present, May be recorded

1.11.33

1.11.33.

D.O. letter no. 997 F.&E. dated 30-10-33 from the Comptroller forwarding a copy of the instructions issued to the Treasuries regarding the acceptance of five and four and half per cent fixed deposits for the new loan if tendered at par.

101. Seen by the Financial Secretary. As stated by the Comptroller, there is no need for a general notification to all holders of deposits (4½ and 5% deposits).

8-11-33

8/11/33.

103.

9.11.33.

25-12-33

The Bank of Mysore Ltd.

TELEGRAPHIC ADDRESS:-
"MYSOREBANK."

ALL COMMUNICATIONS TO BE ADDRESSED TO THE MANAGER.

Bangalore 17th August '33.

No. D.O.239

Copied.

Dear Mr. Raghavachar,

The time seems opportune for floating a Conversion Loan.

What about 4% Tax Free 1953/63?

Yours sincerely,

K. G. Shirur

Shown to Secretary & Secretary to Govt. Finance Dept. Later

A. N. Raghavachar, Esq., M.A.,
Ag. Financial Secretary to
Government, Bangalore.

18/8/33

Dear Mr. O'Brien

I have your D.O. No. dated

The matter is under the consideration of Govt.

Yours truly

18/8/33

FINANCIAL SECRETARIAT,

Bangalore, Dated 18th August 1933.

Dear Mr. O'Brien,

I thank you very much for your D.O. No.239, dated 17th August 1933. The matter is under the consideration of Government

Yours sincerely,

18/8/33

P.W. O'Brien, Esq.,
Manager, Bank of Mysore,
Bangalore.

FINANCIAL SECRETARIAT,

Bangalore, Dated 16th September 1933.

Today 16.9.33

1021
16 SEP. 1933

Office of the Second Member of Council. 21 SEP. 1933 No. 1745

18 SEPT. 1933 No. 2286

Dear Mr. O'Brien,

I enclose herewith a copy of the note prepared as a result of my discussion with you. May I request you to kindly confirm immediately if this is exactly what you intended?

DEWAN'S OFFICE 20 SEP 1933

Office of the Second Member of Council. 23 SEP. 1933 No. 1762

Yours sincerely,

A. Raghavachar

Please circulate to members

P. W. O'Brien, Esq.,
Manager, The Bank of Mysore, Ltd.,
Bangalore.

19-9-33

(1st Mr)
2nd Mr)

19.9.33

Ans 19-9-33

Dear Mr. Raghavachar,

Thanks. The note is settled herewith with one or 2 alterations

Yours sincerely
(Dewan)

18/9/33.

Dr Personal 18/9
16.9.33

As desired by the Dewan, I discussed with Mr. O'Brien the question re: the Conversi of the Savings Bank Current Deposits and the Four Per Cent Fixed Deposits now under consider ation. Mr. O'Brien thought that the limit of Rs 10,000/- fixed for the Current Account in individual depositors' holdings appeared to be rather high though obviously it was inexpedient to consider its immediate reduction to Rs 5,000/-

As regards the rate of interest offered, viz. 4 %, and flotation at Par, he thought that nothing more economical could be considered in view of the fact that for Fixed Deposits we are already paying 4%. Money conditions elsewhere may determine that anything less than 4% may result in the amounts being withdrawn. He said that it is also desirable just to offer some small inducement over and above the actual working rate elsewhere.

The terms as regards repayment of the principal of Bonds after 20 years but not later than 30 years were, he thought, quite appropriate.

As regards the rate of interest to be allowed on the Current Account for excesses in individual deposits over Rs 10,000/- now held by depositors, he thought that 2% may be rather low and suggested that 2½% would be better as the Imperial Bank was itself offering 2% on Current Accounts where the maximum limit for individual holdings was Rs 50,000

With this suggestion of allowing 2½% he considers that our Coversion will meet with success as the present investors cannot find any other means of better investment elsewhere

elsewhere.

If approved, the Comptroller also would be requested to keep a certain amount of balance in Treasuries uninvested so that there may be no difficulty in repayment should there be a desire to withdraw on the part of depositors

16-9-37

Confidential

IMMEDIATE AND CONFIDENTIAL.

No Fl 2304 dated 19-10-33

F 3-172-33-1

Dear Sir, If is under contemplation to personally interest

~~Government have decided~~ to reduce the rates of interest on Savings Bank call deposits to 2¾% and 2% per annum on balances up to and in excess of Rs. 10,000/ respectively with effect from 1st Novemmber 1933, and also to the issue of a Long term loan on the following terms providing for the conversion of the S B call deposits and the four per cent five year fixed deposits:--

(i)The loan to bear interest at four per cent per annum(Income tax free) and to be issued at par (interest payable half yearly)

(ii)The loan to be repayable at the end of 30 years,Government having the option to repay the same after the expiry of 20 years on giving three months' previous notice in the Mysore Gazette.

(iii)The loan to be kept open for one month from 1st November 1933.

(iv)Balances held at credit on 31st October 1933 in the current accounts of savings bank alone to be permitted to be converted and further accretions of deposits not to be ~~ing~~ accepted for purposes of conversion.

(v Interest at 3 1/8th per cent and 4 per cent per annum respectively for call deposits and 4 per cent fixed deposits to be paid up to 1st December 1933, the new loan bearing interest from 1st December 1933.

Pending the issue of formal orders, I am desird to request you to be so good as to take the necessary preliminary steps, including the ~~issue~~ preparation of Draft Loan Notification, Press Note, Advertisement form, printing of bonds etc.,

Yours sincerely,

19.10.33

To

I Venkatesa Iyengar, Esq., M.A.,

Coptroller

G.F. 172-33-1(a)

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF MYSORE.

D. O. No. 957 S.C.

Bangalore, dated 21st Octr 1933

23 OCT 1933
1286.

Dear Sir,

I am in receipt of your D.O. No. Fh. 2304/G.F. 172-33 dated 19th October 1933 regarding conversion of Mysore Government -- Savings Bank Call Deposits and 4 per cent Fixed Deposits into a long term loan under certain conditions..

A draft of the Notification embodying the conditions under which the new loan may be issued, is prepared and forwarded - herewith for approval of Government.

In this connection, I bring to the notice of Government that when the 5 per cent Fixed Deposits were issued in 1928, depositors were informed that they would be given the option to convert - - their deposits into a long term loan which might be floated later. The same promise may be properly taken as implicitly attaching to later notifications regarding Fixed Deposits. It seems necessary in view of this, to permit the conversion of other classes of -- fixed deposits in the Treasury into this loan, if depositors should desire it.

We have to arrange for the payment of interest on the new loan at British Indian Treasuries. I request permission to -- write to the Controller of the Currency for consent to this - -- arrangement.

Yours sincerely,
M. Venkatesayengar

A.N. Raghavachar, Esq., M.A.,
Financial Secretary to the Govt.
of Mysore, Bangalore.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Financial Department.

NOTIFICATION.

No. Fl 2373-81 Dated 24/10/33
G.F. 172.33-2

Under the terms of Government ~~Order~~ Notification No. F 2349/87
171-33-3 dated 23.10.33 the rates of interest on Savings Bank Call (or current) Deposits have been reduced from 3 1/8 per cent to 2 3/4 per cent and 2 per cent per annum on balances up to and in excess of Rs 10,000/- respectively with effect from 1st November 1933. To enable present holders of these deposits to continue their investment with the Government of Mysore, the Government are pleased to sanction the issue of a long-term loan for the conversion of Savings Bank Call Deposits and the Four Per Cent Savings Bank Five Year Fixed Deposits under the following terms:-

From the 1st November 1933 up to 30th November 193 inclusive,

Holders of

(1) Call Deposits (Current deposits carrying interest at 3 1/8 per cent) and

(2) Four Per cent Savings Bank Five Year Fixed Deposits

will have the option of converting their deposits into a Four Per Cent Tax-Free Conversion Loan of 1953-63 issued under the terms mentioned below.

1. The Loan is only for conversion. Cash Subscriptions will not be accepted. Instead of the interest payable according to paras 7 and 8 below, Four Per Cent new Loan Bond of a corresponding Face Value ~~will~~ may be issued at the option of the applicant.

7
(way?

ASD
23/10

2. The new conversion loan will bear interest at 4 per cent per annum from 1st December 1933. The interest will be free of both Mysore Government and Government of India Income Tax but it will be taken into account in determining the rate at which the tax will be levied on other income. The interest will be payable on the 1st June and 1st December of each year.

3. The loan is repayable at par at the end of 30 years., i.e., on the 1st December 1963. But the Government will have the option to repay the whole or any part of it after 20 years., i.e., on or after 1st December 1953 subject to three months' previous notice being given in the Mysore Government Gazette.

4. Only those balances which are held at credit in the Savings Bank on 31st October 1933 will be permitted to be converted into the new loan. Further accretions of deposits will not be accepted.

5. Interest at 3 1/8th per cent and 4 per cent per annum respectively for call (or current) deposits and 4 per cent Savings Bank Five Years Fixed Deposits will be paid up to 1st December 1933.

6. The interest on the loan will be paid at any treasury of the State or at

any District Treasury in British India or at the Imperial Bank of India, Madras or at the Bank of Mysore, Limited, at its Head Office and Branches.

7. 3 1/8 per cent Call (or current) Deposits.

For every Rs 100 of the Savings Bank Call Deposits tendered for conversion, applicants will receive Rs 100 (nominal value) of the 4 per cent Loan 1953-63 bearing interest from 1st December 1933 and the accrued and accruing interest on the amount tendered for conversion, up to 1st December 1933, at the rate of 3 1/8 per cent per annum, free of income-tax.

8. 4 per cent Savings Bank Five Years Fixed Deposits.

For every Rs 100 (nominal value) of the 4 per cent Savings Bank Five Year Fixed Deposit, tendered for conversion, applicants will receive Rs 100 (nominal value) of the 4 per cent loan 1953-63 bearing interest from 1st Decemb 1933 and the following payment in cash at the time of issue of the new securities.

Interest accrued and accruing on the 4 per cent Savings Bank Five Year Fixed Deposit, tendered for conversion, up to 1st December 1933 at the rate of four per cent per annum free of income-tax.

23/10

SUPPLEMENTARY PROVISIONS.

9. Depositors in the Mysore Government Savings Bank current account wishing to subscribe to the new loan should present their applications with pass books and withdrawal forms at the Treasuries where their accounts are kept. Similarly, holders of 4 per cent. Savings Bank Five Year Fixed - Deposits should present their applications with the Fixed Deposit Receipts for conversion at the Treasury at which they are drawing the interest on the Fixed Deposit Receipts.

10. The nominal value of the deposits tendered for conversion and the amount of interest for which new securities are required in exchange, must be multiples of Rs.100.

11. Applications will be received at the Comptroller's Office Bangalore, and all Treasuries in the State.

12. The Loan will be issued in the form of

(a) Stock, the applicants for which will be given Stock Certificates, or

(b) Promissory Notes.

If no preference is stated by the applicants, the securities will be issued in the form of Promissory Notes.

13. The promissory notes of the new loan will be issued in the following denominations, Rs.100, 500, 1,000, 5,000, 10,000, 25,000, 50,000 and 1,00,000.

53/10

14. Applications may be in the form attached hereto, or in any other form which states clearly the amount and the description of the securities required, the full name and address of the applicant and the Bank, Treasury, or Sub-Treasury at which he desires that interest shall be paid.

15. Tenderers of Deposits for conversion must transfer such deposits to the Government of Mysore by endorsing on the form of withdrawal (in the case of call deposits) and on the 4 per cent. Savings Bank Five Year Fixed Deposit Receipts, the words,

"Contents received. Pay to the Comptroller, Mysore Government". over their - signatures.

16. Brokerage will be paid at the rate of 1/16 per cent. to recognised brokers and bankers on applications for conversion, bearing their stamps.

By Order,

23/10/33

Financial Secretary
to Government.

As forwarded with Compliments to Captain ~~[illegible]~~ necessary for the action in continuation of my D.O. No. dt 24.10.33

Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

Notification No. Fl. 2373-81—G. F. 172-33-2, dated 24th October 1933.

MYSORE GOVERNMENT FOUR PER CENT CONVERSION LOAN, 1953-63.

(Free of Income-tax.)

Under the terms of Government Notification No. Fl. 2349—G. F. 171-33-3, dated 23rd October 1933, the rates of interest on Savings Bank Call (or current) Deposits have been reduced from 3½ per cent to 2¾ per cent and 2 per cent per annum on balances up to and in excess of Rs. 10,000 respectively with effect from 1st November 1933. To enable present holders of these deposits to continue their investment with the Government of Mysore, the Government are pleased to sanction the issue of a long-term loan for the conversion of Savings Bank Call Deposits and the Four Per Cent Savings Bank Five-Year Fixed Deposits under the following terms:—

From the 1st November 1933 up to 30th November 1933 inclusive.

Holders of

(1) Call Deposits (current deposits carrying interest at 3½ per cent) and

(2) Four per cent Savings Bank Five Year Fixed Deposits

will have the option of converting their deposits into a **Four Per Cent Tax-Free Conversion Loan of 1953-63** issued under the terms mentioned below.

1. The loan is only for conversion. Cash subscriptions will not be accepted. Instead of the interest payable according to paras 7 and 8 below, Four Per Cent new Loan Bond of a corresponding Face Value may be issued at the option of the applicant.

2. The new conversion loan will bear interest at 4 per cent per annum from 1st December 1933. The interest will be free of both Mysore Government and Government of India Income-Tax, but it will be taken into account in determining the rate at which the tax will be levied on other income. The interest will be payable on the 1st June and 1st December of each year.

3. The loan is repayable at par at the end of 30 years., *i.e.*, on 1st December 1963. But the Government will have the option to repay the whole or any part of it after 20 years, *i.e.*, on or after 1st December 1953, subject to three months' previous notice being given in the *Mysore Government Gazette.*

4. Only those balances which are held at credit in the Savings Bank on 31st October 1933 will be permitted to be converted into the new loan. Further accretions of deposits will not be accepted.

5. Interest at 3½ per cent and 4 per cent per annum respectively for call (or current) deposits and Four Per Cent Savings Bank Five-Year Fixed Deposits will be paid up to 1st December 1933.

6. The interest on the loan will be paid at any treasury of the State or at any District Treasury in British India or at the Imperial Bank of India, Madras, or at the Bank of Mysore, Limited, at its Head Office and Branches.

7. **Three and one-eighth per cent Call (or current) Deposits.**—For every Rs. 100 of the Savings Bank Call Deposits tendered for conversion, applicants will receive Rs. 100 (nominal value) of the 4 per cent Loan 1953-63 bearing interest from 1st December 1933 and the accrued and accruing interest on the amount tendered for conversion, up to 1st December 1933, at the rate of 3½ per cent per annum, free of Income-tax.

8. **Four Per cent Savings Bank Five-Year Fixed Deposits.**—For every Rs. 100 (nominal value) of the Four Per Cent Savings Bank Five-Year Fixed Deposit, tendered for conversion, applicants will receive Rs 100 (nominal value) of the 4 per cent loan, 1953-63 bearing interest from 1st December 1933, and the following payment in cash at the time of issue of the new securities :—

Interest accrued and accruing on the Four Per Cent Savings Bank Five-Year Fixed Deposit tendered for conversion, up to 1st December 1933 at the rate of four per cent per annum free of Income-tax.

SUPPLEMENTARY PROVISIONS.

9. Depositors in the Mysore Government Savings Bank current account, wishing to subscribe to the new loan should present their applications with Pass Books and withdrawal forms at the Treasuries where their accounts are kept. Similarly, holders of 4 per cent Savings Bank Five-Year Fixed Deposits should present their applications with the Fixed Deposit Receipts for conversion at the Treasury at which they are drawing the interest on the Fixed Deposit Receipts.

10. The nominal value of the deposits tendered for conversion and the amount of interest for which new securities are required in exchange, must be multiples of Rs. 100.

11. Applications will be received at the Comptroller's Office, Bangalore, and all Treasuries in the State.

12. The Loan will be issued in the form of—

(*a*) Stock, the applicants for which will be given Stock Certificates, or

(*b*) Promissory Notes.

If no preference is stated by the applicants, the securities will be issued in the form of Promissory Notes.

13. The Promissory Notes of the new loan will be issued in the following denominations, Rs. 100, 500, 1,000, 5,000, 10,000, 25,000, 50,000 and 1,00,000.

14. Applications may be in the form attached hereto or in any other form which states clearly the amount and the description of the securities required, the full name and address of the applicant and the Bank, Treasury, or Sub-Treasury at which he desires that interest shall be paid.

15. Tenderers of deposits for conversion must transfer such deposits to the Government of Mysore by endorsing on the form of withdrawal (in the case of call deposits) and on the Four Per Cent Savings Bank Five-Year Fixed Deposit Receipts, the words,

"Contents received. Pay to the Comptroller, Mysore Government." over their signatures.

16. Brokerage will be paid at the rate of 1/16th per cent to recognised brokers and bankers on applications for conversion, bearing their stamps.

By Order,

A. N. RAGHAVACHAR,

Financial Secretary to Government.

Form of Application to the Mysore Government

Four per cent Conversion Loan, 1953-63.

Application No.

$\frac{I}{We}$.....herewith tender (a) Savings Bank Pass Book with the withdrawal form (b) and Four per cent Savings Bank Five-Year Fixed Deposit Receipt as detailed below, and request that Four Per Cent loan bonds of 1953-63 of the nominal value of Rs..... .....be issued to $\frac{me}{us}$ in the form of Stock Certificate/Promissory Notes of the following denominations—interest being payable at.....

Station..... Signature,.....

Date..... Name in full..... .....

Address.....

Serial No.	Denomination of the pieces	Number of pieces	Face value	Amount of Interest to be paid by cheque	For use by the Comptroller's Office	
					Denomination and pronote numbers issued	Cheque No. and date for payment of interest on the deposits

Details of Deposit Receipts, or Pass Books with the Withdrawal Forms tendered for Conversion.

Serial No.	Name of the Deposits	Number of pieces	Numbers of the		Total face value
			Pass Books	Four per cent Fixed Deposit Receipts	
1	Savings Bank Current Deposit Pass Books with the Withdrawal Forms.	.....	.....	.....	
2	Four per cent Savings Bank Five Year Fixed Deposit Receipts.	.....	.....	.....	

Received the Deposit Receipts and the Savings Bank Pass Books specified here.

Treasury Officer.

NOTE.—Savings BankCurrent Deposit Withdrawal Forms and Four per cent Five-Year Savings Bank Fixed Deposit Receipts tendered for conversion should be endorsed with the words—" Contents received. Pay to the Comptroller, Mysore Government, " over the signature of the applicant, in the place provided for the Agent or Messenger's name in the Current Savings Bank Withdrawal Forms, and in the discharge column on the back of the Four per cent Fixed Deposit Receipts, respectively.

Fl 2349 & 23/10/33

G.F. 172-33.3

NOTIFICATION.

The Government of His Highness the Maharaja are pleased to direct that, with effect from 1st November 1933, and until further orders, the following rates of interest be allowed on deposits in the Government Savings Bank:--

(1) Two and three fourths per cent per annum on balances up to Rs.10,000/-;

(2) Two per cent per annum on balances in excess of Rs.10,000/-.

2. Notification No.Fl 6213/G.F.156-32-7 dated 26th May 1933 will be cancelled from 1st November 1933.

By order,

23/10/33

Financial Secretary to Government.

To

The Compiler, Mysore Gazette, for publication in the Gazette, and for supplying 200 printed copies of the same to this office.

Memo No Fl 2350-8 dated 23-10-33

Copy of the above is forwarded with compliments to the Comptroller for information.

By: Commr of Exs

By order,

23.10.33

Financial Secretary to Govern ent.

21-10-33

23 OCT 1933
4-10 P.M
GENL. & REV

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

General and Revenue Secretariat,

No. Fc 2349
G.F. 17233.3

Dated, Bangalore,...23rd October.....1933.

NOTIFICATION.

The Government of His Highness the Maharaja are pleased to direct that, with effect from 1st November 1933, and until further orders, the following rates of interest be allowed on deposits in the Government Savings Bank :-

(1) Two and three fourths per cent per annum on balances up to Rs.10,000/- ;

(2) Two per cent per annum on balances in excess of Rs. 10,000/-.

2. Notification No.Fl.6213/G.F.156-32-7 dated 26th May 1933 will be cancelled from 1st November 1933.

By order,

Financial Secretary to Government.

To

The Compiler, Mysore Gazette, for publication in the Gazette, and for supplying 200 printed opies of the same to this office.

MK.8.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat,

No. FC 2349
G.F. 17233.3

Dated, Bangalore,... 23rd October *.....1933.*

NOTIFICATION.

The Government of His Highness the Maharaja are pleased to direct that, with effect from 1st November 1933, and until further orders, the following rates of interest be allowed on deposits in the Government Savings Bank :-

(1) Two and three fourths per cent per annum on balances up to Rs.10,000/- ;

(2) Two per cent per annum on balances in excess of Rs. 10,000/-.

2. Notification No.Fl.6213/G.F.156-32-7 dated 26th May 1933 will be cancelled from 1st November 1933.

By order,

Financial Secretary to Government.

To

The Compiler, Mysore Gazette, for publication in the Gazette, and for supplying 200 printed copies of the same to this office.

MK.8.

W. O. No. Pol. 429 of 25th Oct. 19
Encl.

Ca-7-172-33-

Dear Major Kirkbride,

I am desired to address you on the subject of reducing the rates of interest ~~now~~ allowed on deposits in the Mysore Government Savings Banks and issuing a conversion loan to give an opportunity to the depositors to invest their balances with Government.

Issue NN 25/10

The Government are now allowing interest at 3 1/8th per cent per annum on ~~these amounts~~ deposit held at call in their Treasury and the liability on account of such deposits amounts to over Rs.190 lakhs. In view of the recent reductions in the rates of interest on the Postal Savings Bank deposits and on Call and Time Deposits ~~in the several Banks~~ allowed, Government have decided to reduce the rates of interest on ~~the above~~ call deposits to 2¾% and 2% per annum on balances up to, and in excess of, Rs.10,000/- respectively, with effect from 1st November 1933. Govt. have also decided to issue a long term loan in order to afford facilities to holders of call deposits to invest such deposits with the Government of Mysore should they so desire. ~~Holders of 4% five year deposits will~~ also be permitted to convert ~~this deposit into a loan~~ under this arrangement. The terms of the loan are as follows:-

There are ~~also~~ besides some ~~large~~ amounts of ~~some~~ 5 year deposits ~~held~~ in our Savings Banks ~~for~~ carrying interest at 4 p.c. and these will

(1) The loan will bear interest at

at Four per cent per annum (Income-tax free) and will be issued at par, interest being payable half-yearly.

(2) The loan will be repayable at the end of 30 years, Government having the optio to repay the same after the expiry of 20 yea on giving three months' previous notice in the Mysore Gazette.

(3) The loan will be kept open for one month from 1st November 1933.

(4) Only balances held at credit on 31st October 1933 in the current accounts of Savings Bank will be permitted to be converted, further accretions of deposits not being eligible for conversion.

A copy of the Notification issued in this connection, is enclosed herein for information.

Yours sincerely,

24/10/33

(Chief Secretary).

D.O.
No Pol. 429
97 172-33-4

25th October 1933.

Dear Major Kirkbride,

I am desired to address you on the subject of reducing the rates of interest allowed on deposits in the Mysore Government Savings Banks and issuing a conversion loan to give an opportunity to the depositors to invest their balances with Government.

The Government are now allowing interest at 3$\frac{1}{8}$th per cen per annum on deposits held at call in their Treasury and the liabi lity on account of such deposits amounts to over Rs 190 lakhs. I view of the recent reductions in the rates of interest on the Postal Savings Bank Deposits and on Call and Time Deposits gene- rally, Government have decided to reduce the rates of interest on call deposits to 2$\frac{3}{4}$% and 2% per annum on balances up to, and in excess of, Rs 10,000 respectively, with effect from 1st November 1933. Government have also decided to issue a long term loan in order to afford facilities to holders of call deposits to invest such deposits with the Government of Mysore, should they so desire. There is besides some amount of 5 year deposits in our Savings Banks carrying interest at 4 per cent and these will also be per- mitted to be converted into this loan carrying the same rate of interest under this arrangement. The terms of the loan are as follows:-

(i) The loan will bear interest at Four per cent per annum (Income-tax free) and will be issued at par, interest being payable half-yearly.

(ii) The loan will be repayable at the end of 30 years, Government having the option to repay the same after the expiry of 20 years on giving three months' previous notice in the Mysore Gazette.

(iii) The loan will be kept open for one month from 1st November 1933.

(iv) Only balances held at credit on 31st October 1933 in the current accounts of Savings Bank will be permitted to be converted, further accretions of deposits not being eligible for conversion.

A copy of the Notification issued in this connection, is enclosed herein for information.

Yours sincerely,

Extra copy

RG
25/10/33

Major
G. Kirkbride, I.A.,
Secretary to the Hon'ble the Resident in Mysore,
Bangalore

Appendix F G—1]

SUBJECT .....

.....

.....

Section G. 7

File No. 172-33

Serial No. 5

Diary No. of letter replied to .....

No. Hector

To Financial Secretariat
Bangalore
26-10-33

General and Revenue Secretariat

( )

the *193* .

Date of issue 28/10/33

Signed by M. [illegible]

Dear Sir,

With reference to your D.O. No 957 F. 2 dated 21st October 1933, I am desired to state that the 5 and 4½ per cent fixed deposits may also be permitted to be converted into the new loan, if tendered at par and that necessary instructions may be issued to the treasuries separately in the matter.

2. I am to add that a copy of Notification no 3R 237-81 Fy 172-33-2 dated 24th October 1933 be sent to the Controller of Currency for information.

Yours sincerely,

M. Venkatesa Iyengar, Dy, Md., 26.10.33

List of enclosures.....

Copied by.....

Examined by.....

WD 0253—GPB—15,000—26-8-32 Comptroller

1

Government of His Highness the Maharaja of Mysore.

Press Note.

The Government of His Highness the Maharaja of Mysore announce the issue of a 4 per cent Tax-free long term loan repayable in 1953-63 by conversion of existing Government Savings Bank Call Deposits carrying interest at 3-1/8 per cent and 4 per cent Five Year Savings Bank Fixed Deposits. In both cases, interest on Deposits converted will be paid up to 1st December 1933, to Depositors. Depositors will thus have not only the benefit of a long term tax-free loan, but will get a higher rate of interest in the case of current deposits tendered for conversion. The conversion offer will be open from 1st November 1933 to 30th November 1933 (inclusive.)

the new loan bearing interest from 1st Dec

25/10.

25/10

Issue Note.

The Government of His Highness the Maharaja of Mysore announce the issue of a 4 per cent Tax-Free long term loan repayable in 1953-83 by conversion of existing Government Savings Bank Certificates carrying interest at 3-1/8 per cent and 4 per cent Five Year Savings Bank Fixed Deposits. In both cases, interest on Deposits converted will be paid up to 1st December 1933, to Depositors. Depositors will thus have not only the benefit of a long term tax-free loan, but will get a higher rate of interest in the case of current deposits tendered for conversion. The conversion offer will be open from 1st November 1933 to 30th November 1933 (inclusive.)

Government of His Highness the Maharaja of Mysore.

PRESS NOTE

...

The Government of His Highness the Maharaja of Mysore announce the issue of a 4 per cent Tax-free long term loan repayable in 1953-63 by conversion of existing Government Savings Bank Call Deposits carrying interest at $3\frac{1}{8}$ per cent and 4 per cent Five Year Savings Bank Fixed Deposits. In both cases, interest on Deposits converted will be paid up-to 1st December 1933, to Depositors, the new loan bearing interest from 1st December 1933. Depositors will thus have not only the benefit of a long term tax-free loan, but will get a ligher rate of interest in the case of current deposits tendered for conversion. The conversion offer will be open from 1st November 1933 to 30th November 1933(inclusive).

26.10.33

Psk.

G.F. 172-33-6

OFFICE OF THE COMPTROLLER TO THE
GOVERNMENT OF MYSORE.

D. O. No. 980 S.C.

Bangalore, dated 26th Octr. *193* 3

27 OCT 1933
1336

Dear Sir,

With reference to para. 2 of your D.O. letter No.Fl.2408/G.F. 172-33 dated 26th October 1933 asking me to send a copy of - -- Notification No. Fl. 2373-81/G.F.172-33-2 dated 24th October 1933 regarding floatation of 4 per cent Conversion Loan of 1953-63 to the Controller of the Currency, I write to say that a copy of the Notification has been sent to him by today's post.

As regards payment of interest on the new loan bonds at British Indian Treasuries, I request you to kindly let me know if I should write to the Controller of the Currency to issue instructions to his treasuries in the matter. We have stated definitely that interest will be paid in British Indian Treasuries and unless the position is absolutely clear, a reference to this effect would be necessary. It would be unfortunate, if any treasury in British India should - - refuse to pay interest for want of clear instructions and persons - subscribing to the loan thus given cause for complaint.

Yours sincerely,

M. Venkatesaiyengar

A. N. Raghavachar, Esq., M.A.,
Financial Secretary to the Govt.
of Mysore, Bangalore.

Appendix F G—1]

SUBJECT .....

.....

.....

Section G.7

File No. 172-33

Serial No. G 7

Diary No. of letter replied to .....

No. Fl 2469

To

The Superintendent,

Govt Printing,

Bangalore

General and Revenue Secretariat

( )

the *193* .

Date of issue 27/10/33

Signed by M. Venkatasubbiah

Mysore Government Conversion Loan

Sir,

In inviting reference to Government Notification No FE 2373-81 & F 172-33-2 dated 24th October 1933 published on pages 946 & 947 of Part III of the Mysore Gazette dated 26-10-33, I am directed to state that this important Notification should have been published in a prominent place in Part I of the Mysore Gazette as intimated by the Comptroller in para 2 of his letter no 96152

Issue
IW
26/10

TYPING S... OFFICE

List of enclosures.....

Copied by.....

Examined by.....

dated 23-10-33 I have the honour to request that this Notification may be arranged to be published at the beginning of Part I at least in future issues of the Mysore Gazette.

I have etc

26/10/33

Asst Secy

HW 26/10

2-11-33

Fl 2470 of 28/10

Copy of the above is forwarded with compliments to the Comptroller for information.

26/10

Asst Secy

HW 26/10

2-11-33

M4

MR. M. VENKATESA IYENGAR, M.A.,
Comptroller.

Bangalore, dated 30th Octr. 1933

D O. No. 997/S.L.

G-7-172-33-8

31.10.33

1409

Dear Sir,

With reference to the first para of your D.O. letter No. Fl.2408/G.F. 172-33 dated the 26th Octr.'33 stating that 5 and 4½ per cent fixed deposits in the Savings Bank may also be permitted to be converted into the new loan if tendered at par and that necessary instructions may be issued to treasuries, I enclose for perusal of Government copy of the instruction issued to treasuries.

There will be no general notification to all holders of deposits but only intimation to those who may enquire.

As there is no idea of inviting conversion in the case of these deposits, I believe that this

this procedure will meet the requirements of the case.

Yours sincerely,

M. Venkatesaiyengar

A.N. RAGHAVACHAR, Esq., M.A.,
Secretary to the Government of Mysore,
Financial Department,
B a n g a l o r e.

COMPTROLLER'S OFFICE,

No. 995/S. L.

Bangalore, dated 30th October 1933.

To

The Treasury Officer,

District/Taluk Treasury.

Sir,

I have the honour to state that in reply to enquiries Government have as a special case permitted the Conversion of 4½% and 5% Mysore Government Savings Bank Five Year Fixed Deposits also into the new loan, should depositors desire such conversion. The conversion will be *at par*, as in the case of the 4% Fixed Deposit and other terms will also be exactly the same. I therefore request you in case there is enquiry, to kindly intimate this to depositors holding 4½% and 5% Fixed Deposit Receipts in your Treasury. If they desire to subscribe to the new loan, applications may be taken and forwarded.

2. The permission given by Government for the conversion extends from 1st November 1933 to 30th November 1933 (inclusive) and depositors have to apply within the prescribed time.

3. The procedure with regard to the prescribed receipt and forwardal of applications relating to the conversion of 4% 5 Year Savings Bank Fixed Deposit Receipts, applies *mutatis mutandis* to the conversion of these Fixed Deposits also. (*Vide* this office No. 977/S. L., dated 26th October 1933 re-Treasury Instructions).

4. The applications that may be received from depositors for the Conversion of these Fixed Deposits may be forwarded to this office along with the Fixed Deposit Receipts under a covering schedule in the form given below. Manuscript forms may be used for this purpose. No printed copies will be supplied by this office.

I have the honour to be,
Sir,
Your most obedient servant,

M. VENKATESA IYENGAR,
Comptroller.

List of application received for the Conversion of 4½% or 5% S. B. F. D. Receipts into 4% Conversion Loan of 1953-63 at_____ Treasury on_____ 193 .

P.T.O.

List of applications received for the conversion of 4½% or 5% S.B.F.D. Receipts into 4% Conversion Loan of 1953-63 at ---------- Treasury, on ----------.

Sl No.	Application No.	Name and address of the depositor.	Amount tendered for conversion in 4½% Fixed Deposit Receiptn.				5% Fixed Deposit receiptn.				Face value of bonds applied for	Remarks.
			No.	Amount of subscription.	Interest appropriated for purchase of bonds.	Total Subscription.	No.	Amount of subscription.	Interest appropriated for purchase of bonds.	Total subscription.	Total of columns 7 and 11.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.

Station ---

Date ---

Treasury Officer,
------- District
Taluk.

Office of the Publicity Officer to the Government of Mysore,
Public Offices,

No.311-35/P.O. *Bangalore, Dated, 27th October 1933.*

PRESS NOTE.

The Government of His Highness the Maharaja of Mysore announce the issue of a 4 per cent Tax-free long term loan repayable in 1953-63 by conversion of existing Government Savings Bank Call Deposits carrying interest at $3\frac{1}{8}$ per cent and 4 per cent Five Year Savings Bank Fixed Deposits. In both cases, interest on deposits converted will be paid up to 1st December 1933 to Depositors, the new loan bearing interest from 1st December 1933. Depositors will thus have not only the benefit of a long term tax-free loan, but will get a higher rate of interest in the case of current deposits tendered for conversion. The conversion offer will be open from 1st November 1933 to 30th November 1933 (inclusive).

H. V. RANGASVAMI,
Publicity Officer to Government.

Office of the Publicity Officer to the Government of Mysore,
Public Offices,

No.311-35/P.O. *Bangalore, Dated, 27th October 1933.*

PRESS NOTE.

The Government of His Highness the Maharaja of Mysore announce the issue of a 4 per cent Tax-free long term loan repayable in 1953-63 by conversion of existing Government Savings Bank Call Deposits carrying interest at $3\frac{1}{2}$ per cent and 4 per cent Five Year Savings Bank Fixed Deposits. In both cases, interest on deposits converted will be paid up to 1st December 1933 to Depositors, the new loan bearing interest from 1st December 1933. Depositors will thus have not only the benefit of a long term tax-free loan, but will get a higher rate of interest in the case of current deposits tendered for conversion. The conversion offer will be open from 1st November 1933 to 30th November 1933 (inclusive).

H. V. RAMASVAMI,
Publicity Officer to Government.